



## National Guard Association of Connecticut

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### **Testimony in regards to Proposed Senate Bill 119 and 566 and Proposed House Bills 5094, 5139 and 5141**

Good afternoon Senator Maynard, Representative Graziani and members of the Select Committee on Veterans Affairs. Thank you for the opportunity to speak today. I am Debbi Newton, Legislative Chair and past-president of the National Guard Association of Connecticut and a 29 year member of the Connecticut Army National Guard.

Let me start today with Proposed House Bills 5139 and 5141, both acts concerning military veterans pensions and their exemptions from the state income tax. Bill 5141 requests that an income tax exemption be established for veterans' pensions. As you know, the Connecticut General Assembly did that a few years ago and it has gone in effect with the filing of this year's taxes. All military retirees are now able to exempt 50% of their military pensions from their state income taxes. Bill 5139 seeks to raise that 50% to 100%, and NGA CT fully supports this.

Fourteen states already do this at 100%. In the area, those states include Massachusetts, New York and Pennsylvania. I have talked to Soldiers and Airmen who have retired or are getting ready to retire and are buying homes or renting apartments in Massachusetts or New York to take advantage of the tax breaks and to still be able to stay near their families. These people are taking their incomes and their property taxes out of the state of Connecticut and spending them in other states. Some have told me they would rather stay in Connecticut, stay in the homes they have spent most of their lives in, but they just can't afford to. Passing this legislation would help them to afford to stay home. When Connecticut passed the 50% exemption, it was crafted so that it happened a couple of years down the road, not immediately. With the tough economic times Connecticut is now facing, we need to find a balance between getting the state out of its financial struggle, while at the same time, helping our citizens find a way to continue to live in Connecticut. Phasing the 100% exemption in over the next few years could be one of those ways.

In the 1980s, the Connecticut General Assembly passed a law to provide free college educations to the members of the Connecticut Army and Air National Guard by granting tuition waivers at the state community technical colleges, the state universities and UConn. What a great way that was to show how much the state valued the service to the state and nation of the members of the National Guard. Since that time, however, student

fees have skyrocketed, in most cases equaling, and in some cases, surpassing tuition. Even with tuition waivers, a college education is now out of the grasp of some of Connecticut's Soldiers and Airmen.

The statute, specifically Section 10a-77 provides for tuition waiver for full AND part-time National Guardsmen. Many Guard students have come to me complaining that as part-time students, they are not receiving the tuition waiver. They are complaining because as part-time students they are being lumped into fee-based funds so that tuition is not charged, but the skyrocketing fees are.

You have Guardsmen that are taking summer and winter intersession courses because they have deployed or will be deploying and want to catch up or keep up with their studies.

You have Guardsmen that are taking these summer and winter intersession courses because they are going to school part-time as they have full-time civilian jobs, work in the National Guard, have families and volunteer in their communities, but education is important to them and they take their courses towards their degrees in between everything else they do as citizens of this state.

Is it right that they have to pay the skyrocketing student fees instead of receiving the free education promised by the tuition waiver just because they have families to provide for and can't quit their jobs to go to school full-time?

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Army National Guardsmen currently need 60 semester hours to enter Officer Candidate School. This will be increasing to 90 semester hours. They currently need to have 90 semester hours by completion of OCS. This will be increasing to a bachelors Degree.

You have Soldiers that would make fine officers that cannot afford to get the credits they need to attend OCS to have a better career in the Guard and to make the Guard a better place for their Soldiers.

Enlisted Soldiers in the Army Guard who have college course and degrees under their belts also fare much better in the promotion arena. While there are no semester hour or degree requirements for promotion, Soldiers are awarded promotion points for the college credits. The number of promotion points determines your standing on the promotion list. The higher your points, the greater your chance of promotion.

You have Soldiers that would make fine senior enlisted leaders, but because they cannot afford the skyrocketing student fees, they are being held back in the promotions they otherwise so richly deserve. You are losing experienced, caring, devoted Soldiers.

So much for the free education that you gave your Soldiers and Airmen of your National Guard.

Turning to Proposed Senate Bill 119. This is a bill that tries to right some of those wrongs. However, it does not go far enough. 119 seeks to waive the tuition fees for summer and winter intersession course. As explained above, this category of courses does not have tuition. It charges student fees. Waiving tuition (which is already in statute for FULL AND PART-TIME students) does nothing to alleviate this problem. If you add the word "and" between tuition and fees, this will be a good bill that NGACT can fully support.

Again, the same holds true for Bill 566. This bill seeks to waive tuition fees for any former member of the armed forces enrolled on a part-time basis. The way this is worded, it does absolutely nothing for the intended target. Because part-time students are not charged tuition, but are charged fees, waiving tuition for part-time students, which again is done under current state statute, this bill will do nothing.

NGACT supports Bill 5094 which would open up to all Veterans, their spouses and their dependents the opportunity to attend Connecticut state colleges and universities for the in-state tuition rates regardless of where they live. What this bill intends, is to bring more students into the Connecticut state College and University system from other states at in-state tuition rates. In other words, a resident of Massachusetts whose father is a Veteran could attend UConn at in-state rates. Ohio passed this same legislation last year.

While we do support this legislation, we implore you to take care of your Soldiers and Airmen first by correcting the problems they are facing. You, as the Connecticut General Assembly gave promised them a free college education in return for their service, not only to their country, but to their state as well, and now is the time to make that happen.

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Let's work together to make this happen so that we increase their value as Soldiers, Airmen, members of their communities, employees. Let's work together to increase their ability to provide for their families and in turn, their ability to help our economy.

Thank you for your time and I am available to answer any question you may have.

*Respectfully,*

Debbi Newton



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## RETIRED MILITARY ALMANAC

### States with no personal income taxes.

Alaska	New Hampshire*	Texas
Florida**	South Dakota	Washington
Guam	Tennessee***	Wyoming
Nevada		

\*Imposes tax on interest or dividend income.

\*\*Imposes an intangible personal property tax.

\*\*\*Imposes tax on certain dividend and interest income.

### States that exempt all military disability retired pay.

Arizona***	Kentucky***	North Dakota***
California	Maine***	Ohio
Colorado***	Maryland***	Oklahoma***
Connecticut***	Minnesota***	Oregon
Delaware***	Missouri***	Puerto Rico
District of Columbia	Montana*	Rhode Island
Georgia***	Nebraska***	South Carolina
Idaho***	New Jersey**	Vermont***
Illinois	New Mexico	Virginia
Indiana	North Carolina	West Virginia
Iowa***		

\*If AGI is less than \$15,000—up to \$5,200 can be exempted.

\*\*There are total and permanent disability exceptions.

\*\*\*To the extent exempt for Federal tax purposes.

### States that exempt all military retired pay.

Alabama	Louisiana	North Carolina*
Hawaii	Massachusetts	Oregon*
Illinois	Michigan	Pennsylvania
Kansas	Mississippi	Wisconsin
Kentucky*	New York	

\*If certain qualifications are met.

### States that exempt all active duty military pay.

Arizona	Montana	Pennsylvania**
Illinois	Oregon*	Vermont*
Michigan		

\*Exempts all military active duty pay earned outside the state.

\*\*For residents who earn military pay outside of state.

The state tax listing on the following pages provide a brief guide to state tax requirements with emphasis on special provisions for retirees, including those states which tax RSFPP or SBP annuities. Note that the information provided represents the latest information available at the time of publication and that these provisions are subject to change. For specific information, contact a legal assistance officer or your state tax office. Due dates for filing and/or making payments are the same as federal unless otherwise noted.